

# Germany's Plot to Gas the World's Trade

## Strangling Grip of Teuton Shipping Octopus Broken

Hold on American Ends of Ocean Lanes Assumed Serious Proportions in Months Prior to the War

"Bunker License" Safeguards U. S.

Government Has Effective Weapon for Use Should Old Tactics Be Revived

The following is the thirteenth of a series of articles describing the new plot of Germany to achieve world supremacy.

By Stanley Frost

Two great German shipping companies and five smaller ones had fastened on America when the war broke. Following the Kaiser's precept that "the future of Germany lies on the sea," her merchant marine already had what seemed a secure hold on the American end of the great ocean lanes, and was fast tightening that grip. The war showed how powerful her hold was, and with what utter disregard of law and decency she used it. The worst of the bomb plots, the espionage and the murder and arson conspiracies were hatched around the German ship companies. They broke our neutrality in every conceivable way, sought to involve us in the war against the Allies, furnished supplies to German raiders, and finally, after we were in the war, attempted to aid the sea-snakes that were sinking American ships in American waters.

In the German war of exploitation their power was not less great, nor less used. Their rates, of course, had to meet the competition of all other shipping, and the tribute we paid them was the same that America has paid other maritime nations for decades rather than carry her own sea tonnage. But the German had other methods.

There was discrimination in freights from this side. A man favored by the great German machine found his bills less. The American exporter was thus discriminated against.

There was worse discrimination on the freight rates on goods coming here. The German government with its control over shipping as well as over its railways, used the freight rates to offset the trade barriers which had been provided by Congress. If a tariff was raised the freight rate dropped, and the German product came on the American market at a price which evaded the protection this country had tried to give its own producers. When there was one of the frequent German "dumping" campaigns on the shipping companies were expected to help batter down the American firms by laying the dumped goods down cheaply.

### Espionage Part of Ship Companies' Work

Always there was espionage—the German companies, from their manifests, were able to report to the great central commercial information bureau, where German exporters could make use of the information, what Americans were shipping, to whom and how much. Every shipment became a tip for a German commercial traveller in some distant part of the world.

The control of shipping, and the use of it, became a vital part of the German commercial army as soon as the system of overproduction, "dumping" as a trade weapon, and the drive for a commercial "Deutschland Uber Alles" became established. It was one of the best of her trade weapons. Throughout the war she has nursed it carefully. Shipbuilding has gone on in Germany when there was an actual shortage of men and materials for munitions. More than that, she has sold shipbuilding material to the neighboring neutrals, no matter what her own straits, on conditions that gave her the control of their ships after the war.

"We shall inevitably draw the conclusion that the power of expansion of the new Germany is in large measure due to the organization and activity of her transport system," says Professor Henri Hauser, whose book, "Germany's Commercial Grip on the World," is the standard work on that subject.

"The intervention of the German ship by the side of the German railway reveals to us another means of German commercial penetration—the combined rate. It is somewhat difficult to be exactly informed about these combined sea-and-rail rates, which Germans consider one of the secrets of their power. What is known is that, by means of a single consignment note, one is able to send goods from certain German stations to certain stations abroad, by a determined port, at a single and very reduced charge which includes land carriage, sea freight and handling costs."

### Immense Growth Of Merchant Marine

The German merchant marine grew from 640,000 tons—a month's U-boat sinkings—in 1870 to 5,000,000 tons in 1914. In 1909, the last year for which figures are available, there cleared from German ports, under the German flag, nearly 65,000 vessels, totalling 18-

### ALIEN PROPERTY CUSTODIAN

Sixteenth and P Streets, N. W., Washington, D. C.

April 11, 1919.

To the Editor of The Tribune.

Sir: I have read with interest the preliminary sketches of Mr. Frost's stories about the present German menace. I want to say to you that in my opinion they are a splendid presentation of the present situation, and, as far as I have gone, accurate and entirely justified by present conditions.

The situation at this time calls for just such a series of articles as Mr. Frost has written, and in order to insure their accuracy in detail I would be very glad to go over them when he has finished them and make any small corrections which the records of this office may justify. The wider publication these articles receive the greater the public service Mr. Frost has been able to render.

FRANCIS P. GARVAN,  
Alien Property Custodian.

000,000 tons. Forty per cent of the German ships were concentrated under the Hamburg-American and the North German Lloyd companies and these headed a secret cartel which included many of the secondary companies. The Hamburg-American Line alone operated sixty-eight lines of steamers, touching all American ports and crossing the Pacific.

The Germans had a special advantage as regards America. When the LaFollette law passed it applied to all ships touching American ports—conditions which improved the lot of the seamen but were onerous on the owners. The Germans avoided this by a very simple expedient—the entire crews of their ships were put under naval law as reserves. Any chance that they would leave ship in New York or join any activity for higher wages or better conditions vanished.

The Germans also, shipping men report, were as quick to break their commercial treaties as their government was to smash its political ones. They are credited with the failure of the transatlantic pool, a shipping agreement to control rates and sailings, through their constant attempts to break the agreements whenever they saw any advantage to themselves in doing so.

### Became a Part of Huns' War Machine

This was the nature of the tentacle that had fastened on our ports. When the war came it showed itself wholly German. It was put under the direction of Dr. Albert and Hugo Schmidt, the Kaiser's agents, and (to consider only its shipping activities) became immediately active in attempting to supply German raiders, contrary to law. Accounts submitted before the Overman committee, which investigated German activities, showed that more than a dozen ships, and several

million dollars, had been used in these attempts. Few of them succeeded.

Another form of activity was the attempt to get us into war with Britain over the blockade. This was done chiefly by the American Transatlantic Company, a concern carefully camouflaged under American names, and run by Richard Wagner, an American citizen, but German through and through. The scheme was to purchase vessels, put them under American names, get American registry (the company got Senator LaFollette to vouch for its Americanism and so secured this registry) and then to start them out to raise an international issue by being caught in the British blockade. Of course, if they got through with some cargo it was all right. They could get caught next time.

### Trouble for America The Real Cargo

But trouble for America, rather than goods for Germany, was their real freight. There was originally spent some \$2,600,000 in putting this company on its feet, the money all coming from Germany. An offer of \$7,500,000 for it was recently refused. Some of the issues that its astute manager succeeded in raising are still in diplomatic dispute between this country and Britain.

Wagner admitted to Francis P. Garvan, then director of the Bureau of Investigations of the Alien Property Custodian's office, that for three years he had deceived the various departments of the American government, the British and French prize courts and Senators and Congressmen as to the real ownership of the stock. He confessed that there was practically not a cent of American money in the concern. Throughout his efforts he maintained a propaganda to keep the American people stirred up over the British

"outrages" against "American" enterprise.

### Helped Keep Alive Wooden Ship Dispute

A sidelight on the wooden ship controversy, and the German interest in preventing America from building a permanent merchant marine, shows the Teutonic hand. During the long controversy between General Goethals and Chairman Denman practically no correspondence reached the Shipping Board from indignant or advisory citizens. But the moment that controversy was ended the "country" was heard from and the board's mail was filled with demands that the wooden ships be built. The number of German names was amazing, but not one of the writers pointed out that wooden ships would be worthless for after-the-war trade purposes.

The work done by the Alien Property Custodian and the new powers which have been developed by the Transportation Bureau of the War Trade Board, and will remain in the American defensive arsenal when that organization disbands, have convinced the officials that the German merchant marine threat is over for the time being, even if the Allies permit her to keep any ships.

The Alien Property Custodian has seized the great pier and terminals of the North German Lloyd and the Hamburg-American line in New York harbor. He has also seized and sold, or will sell, the Brynhilda Shipping Corporation (camouflaged as Scandinavian), the Cargo Transportation Corporation, the Lutz Shipping Company, the Segurama Steamship Company and the Vogeman Shipping Company. In most of these the enemy interest was 100 per cent.

Until new piers are found in New York the German companies can come here only on sufferance, and for the present, at least, the destruction of the German sea octopus, so far as America is concerned, is believed to be complete.

### New Weapon Ready Against German Ships

The War Trade Board has developed, moreover, a weapon which can be used

indefinitely to prevent this octopus getting a new grip. This is the so-called "bunker license," which, under the law as administered during the war, includes also every sort of ship supply. By it any ship can be prevented from carrying from any American port any commodity whatever, even if that commodity was brought in by the same ship. This is, of course, an extreme power and not likely to be invoked, but it remains as a possibility in case the new German attack becomes a serious danger along this line.

There is much talk in England of putting a bunker license system into effect, leaving it without teeth until needed, but handy to use if necessary in forcing out the Germans. If America and Britain should join to enforce such a policy no German ship could get past Suez, Panama or the Kameruns and none could touch at any port in the United States, Great Britain or a British colony.

How Germany made a profit on spying through insurance companies will be told in tomorrow's Tribune.

### Automotives

There was a meeting yesterday afternoon at the rooms of the Automobile Dealers' Association, attended by leading members of the trade of this city and Brooklyn, to discuss the motor vehicle legislation pending before Governor Smith and to decide on a course of action with relation to the bills. The dealers will send to the Governor a memorandum relating to the Knight-Wheelock bill, to which they object because it applies only to the motor car owner operators of New York City. They believe it should be made statewide in its provisions.

A delegation probably will go to Albany for the hearing there on May 13 on the bill that would increase all registration fees for automobiles in this state. This measure the dealers do not particularly approve, either.

Incidentally, the next automobile show in New York City will not be held under the management of the Automobile Dealers' Association. At a meeting of the National Automobile Chamber of Commerce, in Detroit, just finished, a

show committee was appointed to handle national shows, which will restore the management to the hands of those who have always had charge of them. At the same time, provision was made for allotting a substantial sum of money to the New York dealers, for the running expenses of their organization, which will be rather nearer the amount of money they cleared on the show last February, than the sum they have had heretofore from the N. A. C. C. This arrangement will be satisfactory to the New York dealers, it appears.

Work has begun on the fifteenth an-

nual orphans' automobile day outing, which will be held June 15. Frank G. Carrie, of the Marmon Automobile Company, is president of the association, and Horace De Lissar, of the Ajax Rubber Company, is treasurer.

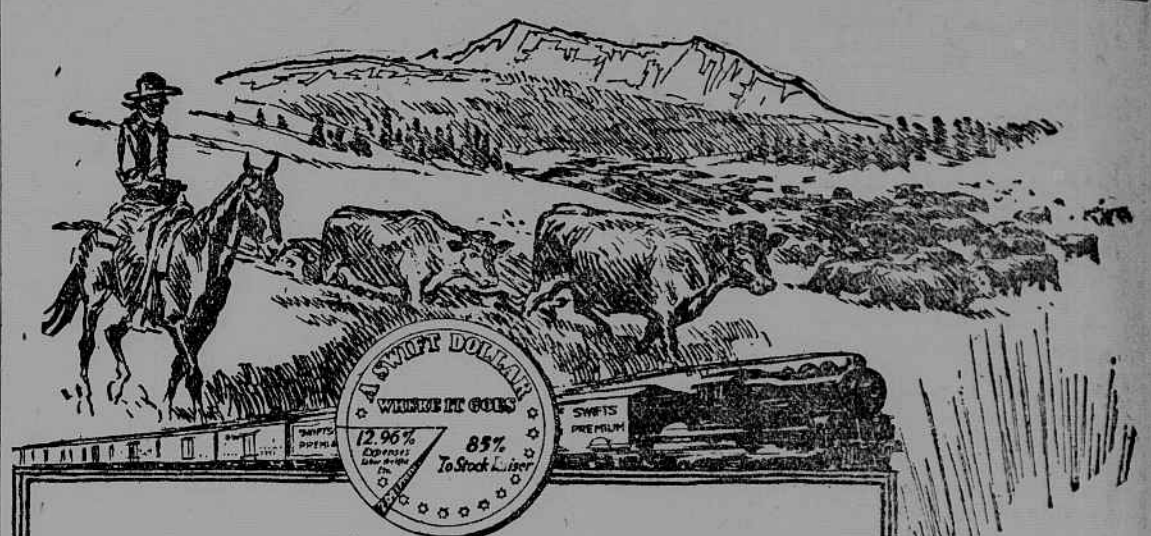
The association depends upon owners and dealers to supply cars to carry the orphans to the place where the outing is held. The children look forward eagerly to the outing every year and it is a most worthy charity. Information can be had by addressing the Orphans' Automobile Day Association, at 1845 Broadway.

### Tugboat Captain Is Shot

By an East River Wave

If the East River hadn't been unusually rough yesterday Captain William M. McNeil, of the tugboat Francis H. Rickett, wouldn't be in Bellevue Hospital with a dangerous bullet wound in his right side.

While the tug was breasting the wharves a heavy swell listed it to starboard, dislodging a bureau drawer in the cabin. A revolver fell out of the drawer and was discharged when it struck the floor, the bullet striking the captain.



## The Flow of Meat

Two-thirds of the live stock in the United States has to be raised in the West.

One-half of the consumers of meat live in the East.

In other words, most of the live stock is one or two thousand miles distant from most of the people who need it in the form of food.

Fifty years ago, when live stock was raised close to every consuming center, the country butcher could handle the job after a fashion.

But the job got too big.

Now millions of animals have to be moved hundreds of miles to millions of people. Somewhere on the way they have to be turned into meat.

The packers solved the problem. They set up plants where the "live haul" and the "meat haul" were in the right balance. They eliminated waste. They built up distributing systems—refrigerator cars, refrigerating plants, branch houses. They saved time, money and meat everywhere. The stockraiser benefited in better markets and higher prices; the consumer, in better meat and lower prices.

As the country grew, the packers had to grow, or break down. Because of its present size and efficiency, Swift & Company is able to perform its part in this service at a fraction of a cent per pound profit.

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## Mother's Day

Next Sunday is Mother's Day and The Tribune pays tribute to the occasion with three wonderfully appropriate picture subjects, faithfully reproduced in full colors in The Tribune's Colorgraphic Section.

"The Kiss," by J. Campbell Phillips; "The First Lesson," by Emit Fuchs; and "Mother's Day," by John Sloan.

These three splendid paintings, and in addition a powerful war picture, "The Lesson," by Captain Harvey Dunn. You'll want to frame all of them. Order your copy of The Tribune for next Sunday, to-day.